

Fiscal Services Division

Legislative Services Agency

Fiscal Note

HF 873 - Education Reform, AEA Structured Conversation (LSB 3547 YH)
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Fiscal Note Version - New

Description

House File 873 is the product of the Education Subcommittee of the Governor's Local Governance Committee. The Bill has three divisions:

- Division I – Facilitated Discussion for Sharing and Efficiencies: The Department of Education and the Area Education Agencies are to cooperatively facilitate a uniform structured conversation process that includes a series of meetings with school district leaders to identify and realize sharing and efficiency of operations efforts among school districts, educational partners, and governmental subdivisions. A general timeline is identified, regional plans are required, and the Department of Education is to compile the plans and report to the General Assembly by January 1, 2007.
- Division II – Standing Committee Issue Referrals: The Bill specifies issues to be referred to the Senate and House Education Standing Committees and the Senate and House Ways and Means Committees.
 - Education issues are:
 - Modification to the rule of statutory construction, referred to as “Dillon’s Rule,” to eliminate barriers to collaboration and innovation.
 - Converting from a minimum number of days of classroom instruction per school year to minimum number of classroom hours.
 - Evaluation of the impact of combining funding sources for Phase I and Phase II of the Education Excellence Program.
 - Ways and Means issues are:
 - Consolidating local school district property tax and income surtax levies into two property tax levies – one school board-approved and one voter-approved.
 - Expansion of the local option sales tax for school infrastructure to Statewide participation along with calculation changes.
 - Inclusion of school districts in tax increment financing (TIF) approval requirements.
- Division III - Shared Activities and Athletic Programs: The Department of Education, in collaboration with various education stakeholders, is to study and review regulations relating to shared activities and athletic programs and report to the Senate and House of Representatives by December 1, 2005.

Assumptions

1. Division I will require planning, training, meetings, travel, presentation materials, possibly overtime costs for meetings held outside the regular work day, and development of plans.
 - a. The Department of Education costs for staff time, travel, and other resources are expected to be between \$20,000 and \$50,000.
 - b. Each Area Education Agency costs for staff time, travel, and other resources are expected to be between \$25,000 and \$35,000.
 - c. School districts primary costs will be associated with travel to attend the meetings. There may be some additional costs for information collection to participate in the meetings and planning process. No specific amounts are included in this estimate.

- d. Cost estimates are for the entire project and are not allocated among fiscal years.
2. Division II will be conducted within the normal operations of the Education and the Ways and Means Standing Committees and will not generate additional costs.
3. Divisions III will involve staff time and meetings. There is the potential for this study to be done in concert with Division I activities or to utilize some of the structure developed by Division I. No specific amounts are included in this estimate.

Fiscal Impact

House File 873 is estimated to cost between \$320,000 and \$470,000 for the Department of Education's and the twelve Area Education Agencies' participation in this project.

Sources

Department of Education
Area Education Agencies
Iowa Association of School Boards
Department of Management

/s/ Holly M. Lyons

April 26, 2005

The fiscal note and correctional impact statement for this bill was prepared pursuant to Joint Rule 17 and pursuant to Section 2.56, Code of Iowa. Data used in developing this fiscal note and correctional impact statement are available from the Fiscal Services Division, Legislative Services Agency to members of the Legislature upon request.
